REGULATION

ON CLIENT FUNDS PROTECTION

1.1. “Wilco” LLC (hereinafter referred to as the “**Company**”) is an investment company registered and licensed in the Republic of Armenia (hereinafter referred to as “RA”).

1.2. Company details:

1.2.1. Name: **“Wilco” LLC**

1.2.2. Investment company license: **No. 0008**

1.2.3. Address: **26/2 Saryan St., Yerevan 0002, RA**

1.2.4. Website: **wilco.am**

2. KEY DEFINITIONS

2.1. The terms used in this Client Funds Protection Regulation (hereinafter referred to as the “Regulation”), if not defined herein, shall be interpreted in accordance with the meaning given to them by the laws and normative legal acts of the Republic of Armenia. If those do not define the term, the generally accepted international business practices shall apply, unless otherwise clearly dictated by the specific context.

2.2. **Company:** “Wilco” LLC;

2.3. **Client:** A resident or non-resident individual or legal entity receiving services defined under the Company’s internal legal acts;

2.4. **Counterparty:** A person (including without limitation brokers, custodians, investment or financial institutions) through whom or with whose involvement the Company provides services to the Client;

2.5. **CBA:** Central Bank of the Republic of Armenia;

2.6. **Means of communication:** Communication tools specified in the service agreement between the Company and the Client;

2.7. **Client Funds:** Monetary funds and/or securities owned by the Client and transferred to the Company’s possession and/or management under a written agreement between the Client and the Company, including any profits generated from their management.

2.8. **Agreement:** The written contract between the Client and the Company that defines their legal relationship, rights, obligations, and other conditions as per law or mutual agreement.

2.9. **Applicable Legislation:** RA Civil Code, RA Law on Securities Market, applicable normative acts, CBA regulations, and the terms of this Regulation, the Company’s internal legal documents, and the relevant Agreement.

3. GENERAL PROVISIONS

3.1. This Regulation establishes the rules for the protection of the Client Funds transferred to the Company. Acceptance of such funds does not imply the transfer of ownership rights to the Company.

3.2. The Company is licensed by the CBA to provide investment services and operates under its supervision.

3.3. The Regulation is developed and enforced in compliance with and within the scope of the Applicable legislation.

3.4. The Regulation is a public document and is available to any interested party for review. It is published on the official website of the Company.

3.5. Each provision of this Regulation shall be interpreted based on its literal wording. If a provision contains ambiguity, it shall be interpreted in line with the general logic of this Regulation, the Agreement, and the Company's internal legal acts.

3.6. Any amendments or supplements to this Regulation shall be made unilaterally by the Company, provided that the Client is notified in accordance with the Agreement. All such amendments or supplements become an integral part of this Regulation.

4. PROTECTION OF CLIENT FUNDS

4.1. The Company undertakes to ensure the safe custody of Client Funds by following the principles of transparency, division, purpose-specific use, and accountability. Client Funds are held separately from the Company's own funds, used exclusively in the name and interest of the Client and/or the Company, and their recording and control are organized in accordance with internal rules and applicable legislation.

4.2. The Company may account for the Client's Funds either in an account opened in the Client's name or in a securities or bank account opened in the name of the Company, within the framework defined by the Applicable Legislation. The Client shall be informed in advance of the risks associated with each method of accounting, including the risk of loss arising from failure by the custodian or financial institution, technical or legal restrictions, as well as limitations in the exercise of ownership rights.

4.3. The Company may pledge or lend the Client's Funds in its own name only with the Client's prior written consent and under the conditions defined by the Client. The Client shall also be informed in advance that the custodian or another Counterparty may register the Client's Funds as collateral securing the Client's obligations.

4.4. In cases where the Client's Funds are lent or otherwise used for the benefit of the Company or another Client, the Company shall be obliged to:

4.4.1. obtain the Client's prior written consent,

4.4.2. establish and implement appropriate control systems to ensure proper use, 4.4.3. maintain accounting and documentation that allow clear identification of the used Funds, their volume, and the conditions of their use,

4.4.4. ensure full protection of the Client's rights and interests within the framework of the Applicable Legislation.

4.5. To safeguard the Client's interests in relation to their Funds, the Company is obliged to:

4.5.1. Maintain information and perform accounting in a way that allows, at any time and without delay, the identification and separation of each Client's Funds from other Clients' funds and from the Company's own funds;

4.5.2. Maintain accurate records and accounts that reflect the Client Funds under its possession and/or management;

4.5.3. Regularly make comparisons and corrections between the Company's own records and those of the persons with whom Client Funds are held, in respect to the accounts, information, and records related to such Funds;

4.5.4. Ensure that any Client Funds held with a Counterparty are distinguishable from the Company's and the Counterparty's own funds—through use of accounts under different names or other methods that ensure an equivalent level of protection. This requirement does not apply when the Company transfers state securities owned by the Client to a sub-custodian of government bonds, if the opening of separate (differently named) accounts is impossible for the Company and its Clients at that sub-custodian;

4.5.5. Implement necessary organizational measures to mitigate risks of loss of Client Funds or rights related to them as a result of unauthorized use, fraud, improper accounting, or negligence.

5. CUSTODY OF CLIENT SECURITIES

5.1. The Company has the right to hold Client securities in an account (or accounts) opened in the Client's name with a Counterparty. When selecting, appointing, and periodically reviewing such Counterparties and the securities custody process, the Company must act in good faith, with best efforts, due diligence, and care. In choosing and appointing a Counterparty, the Company shall take into consideration the Counterparty's experience and reputation, as well as the legal requirements and market practices related to the custody of Client securities, in order to avoid any adverse effect on the Clients' rights.

5.2. If the Company intends to hold Client securities with a Counterparty located in a country that has specific requirements and supervision regarding the custody of assets belonging to other persons, the Company shall not hold the Client's securities with an entity in that country that is not subject to such requirements or supervision.

5.3. The Company shall not hold Client securities with a Counterparty located in a foreign country where the custody of assets belonging to other persons is not regulated, except where at least one of the following conditions is met:

5.3.1. The nature of the securities or the related investment services requires that the securities be held with an entity located in that country;

5.3.2. The securities belong to a Client who is classified as professional under the Applicable legislation, and that Client has provided written instruction or consent to hold their securities with the Counterparty located in that country.

6. CUSTODY AND USE OF CLIENT MONETARY FUNDS

6.1. The Company is obliged to hold accepted Client Funds separately from its own funds — in one or more accounts opened with a commercial bank.

6.2. The bank account agreement opened in the name of the Company for the purpose of accounting for Client Funds must explicitly state that the account is designated for the accounting of Client monetary funds.

6.3. The Company also maintains internal, separate accounting for each Client’s monetary funds.

6.4. When selecting a commercial bank to hold Client's monetary funds, the Company must act in good faith, with due care and diligence, prioritizing the best interests of the Client. The Company must consider the bank’s experience, reputation, credit rating, as well as the legal requirements and market practices concerning the protection of Client funds, in order to ensure appropriate protection of Client rights and avoid adverse impacts on those rights. Moreover, if the Company selects a foreign bank to hold Client funds, it must obtain the Client’s prior written consent, except where the selected foreign bank has a credit rating not lower than: "BBB-" in Standard & Poor's "BBB" group, "Baa3" in Moody's "Baa" group, "B+" in A.M. Best's "B" group, "BBB-" in Duff & Phelps' "BBB" group, "B-" in Weiss "B" group, or "BBB-" in Fitch's "BBB" group.

7. OWNERSHIP AND USE OF CLIENT SECURITIES

7.1. The Company is prohibited from entering into securities financing transactions using Client-owned securities or otherwise using those securities for its own benefit or for the benefit of other Clients, except in the cases defined under Clauses 7.2 and 7.3 of this section.

7.2. The Company may use Client securities only if all of the following conditions are met:

7.2.1. The Client has given prior written consent for the use of the securities, clearly specifying the terms of such use. This consent may be included in the Agreement signed with the Client;

7.2.2. The use of the Client’s securities must be strictly limited to the terms specified by the Client.

7.3. The Company is permitted to conduct securities financing transactions with the Client's securities held in a consolidated account or a similar account with a Counterparty. Additionally, it may use or possess the Client's securities held in such an account for the benefit of itself or its other Clients. This is contingent upon the fulfillment of conditions outlined in Clause 7.2 and the Company having a suitable control system. The control system ensures that only the securities of

Clients who have given their consent in accordance with 7.2.1 are used in the manner specified in clauses 7.2 and 7.3.

7.4. The Company is required to keep accurate accounting records for Clients whose securities have been utilized with their consent and in accordance with the terms specified by them. Additionally, it must document the quantity of securities used for each customer.